# Social Procurement Strategy (Long-form) template (long-form)

The Social Procurement Framework requires departments and agencies to [develop a Social Procurement Strategy](https://www.buyingfor.vic.gov.au/social-procurement-strategy).

There are only two exceptions:

Firstly, if the agency meets these criteria:

* total annual procurement spend is below $10 million, **and**
* all individual procurement activities are valued below $50,000

These agencies do not have to complete a Social Procurement Strategy. Instead, they complete a Social Procurement Commitment.

Second, if an agency follows the policies and practices of a lead department, it does not have to complete a Social Procurement Strategy. Instead, it confirms with its portfolio department any necessary steps to adopt the departmental Social Procurement Strategy.

## Who should use this template?

This template is designed for Victorian Government agencies that meet both of these criteria:

* total annual procurement spend is at or above $10 million (exclusive of GST)
* any individual procurement activities are valued at or above $1 million (regional) or $3 million (metro or State-wide)

## General instructions

Core components of a Social Procurement Strategy may be incorporated into your organisation’s procurement strategy or set out in a standalone document.

The Social Procurement Strategy, or relevant sections of your organisation’s procurement strategy, must be approved by the Accountable Officer or delegate.

This template provides example headings and instructions for each core component of the Social Procurement Strategy. You may modify them to better suit your organisational needs.

**Social Procurement Strategy (Long-form)**

**Organisation:** [*Insert name of department/agency*]

**Date:** [*Insert date that this document is prepared*]

**Review date:** [*Insert date that this document is to be reviewed by agency*]

**Context**

This component should deliver key messages in relation to the Social Procurement Framework. It is an important opportunity to:

* recognise any noteworthy social procurement initiatives undertaken by your organisation prior to / since the introduction of the Social Procurement Framework
* demonstrate your organisation’s commitment to advancing social and sustainable objectives through procurement in accordance with the Social Procurement Framework

**Department / agency business strategy**

Briefly summarise your organisation’s key priorities and strategic objectives and explain how the Social Procurement Framework relates to, or will help your organisation achieve, those priorities and objectives. The aim is to align social procurement with the broader organisational context.

**Procurement profile analysis**

Briefly summarise your organisation’s procurement profile, based on its unique procurement needs and requirements.

**Social procurement opportunity analysis**

This component should incorporate a social procurement opportunity analysis that covers both direct and indirect approaches to social procurement (i.e. procurement from social benefit suppliers *and* delivery of social and sustainable outcomes through procurement from mainstream suppliers).

The social procurement opportunity analysis should:

* take into account your organisation’s procurement activity plan (or equivalent forward procurement plan) and available information and data about spend patterns and categories, existing contracts and supplier profiling, market analysis, and complexity assessment
* identify any individual procurement activities value at or above $20 million (you must [develop a Social Procurement Plan](https://www.buyingfor.vic.gov.au/plan-social-procurement) for each of these activities)
* consider the application of social procurement ‘sourcing tactics’ set out in [Social procurement planning and tactics](https://buyingfor.vic.gov.au/social-procurement-planning-and-tactics) (e.g. evaluation criteria, unbundling and supplier relationship management)
* identify specific opportunities and the Social Procurement Framework objectives and outcomes that are relevant to those opportunities (e.g. an existing maintenance contract is identified as involving a significant proportion of entry-level labour, which the organisation identifies as an opportunity to create employment opportunities for Victorian priority jobseekers)

Based on this analysis, consider whether it is appropriate to set social procurement targets for your organisation, such as:

* an Aboriginal business procurement target
* social benefit supplier expenditure targets (e.g. by percentage or amount)
* targets in relation to gender equality indicators
* targets for employment outcomes for Victorians with disability
* targets for job readiness and employment outcomes for Victorian priority jobseekers and/or regions with entrenched disadvantage
* targets for proportion of suppliers with environmentally sustainable business practices
* targets for environmentally sustainable / climate change resilient outputs or emissions reduction targets

Note: Under the Social Procurement Framework, it is a requirement to publish your organisational social procurement targets in the annual report. Organisational targets are recognised as an important mechanism to drive accountability for government buyers.

**Priority social and sustainable objectives**

Departments and agencies are expected to prioritise three or more priority [social and sustainable procurement objectives and outcomes](https://buyingfor.vic.gov.au/victorian-governments-social-and-sustainable-procurement-objectives-and-outcomes). They should also identify any corresponding social and sustainable outcomes that are being prioritised.

In selecting priorities, consider your business strategy, procurement profile analysis, and social procurement opportunities analysis.

This component should also reiterate that, although the priority objectives and outcomes are to guide government buyers throughout your organisation, the Social Procurement Framework clearly states that government buyers are expected to decide which objectives are to be pursued and prioritised in each individual procurement activity. In other words, buyers may pursue objectives and outcomes beyond the selected priorities. If departments and agencies are procuring construction projects valued at $20 million or more, the Building Equality Policy (BEP) will apply. BEP is implemented through the SPF. Therefore, if BEP applies, include a section outlining how your organisations will comply with BEP in the Social Procurement Strategy. Industrial Relations Victoria is the owner of the Building Equality Policy, supported by [ICN Victoria (Industry Capability Network](https://icn.org.au/icn_vic)). For further information, see [Building Equality Policy](https://www.buyingfor.vic.gov.au/building-equality-policy-buyers).

**Roles and responsibilities**

This component should:

* identify areas of your organisation and key individuals that are involved in the procurement process
* clearly articulate the broad definition of ‘government buyer’. ‘Government buyer’ means the individual(s) responsible for planning, sourcing and/or approving the goods, services or construction being procured by, or on behalf of, a department or agency. Government buyers include end users, project control boards and financial delegates. It may be useful to provide examples of government buyers in your organisational context
* outline any roles and responsibilities in relation to social procurement (including, for example, in relation to development of social procurement capability, supplier engagement in relation to social procurement, and your organisation’s reporting and management framework)

**Capability development plan**

Social procurement capability involves embedding social procurement practices throughout the procurement process. The aim is for your organisation’s procurement expertise, resourcing, systems, policies and processes to enable the delivery of social and sustainable outcomes through procurement in a manner that is aligned to its Social Procurement Strategy.

A comprehensive capability development plan would cover issues relating to governance, people and culture, technology and tools, procurement processes, sourcing, contract management and performance management. In many organisations, capability development activities are not recorded in a standalone document. These activities may also focus on specific business units or individuals, rather than the entire organisation.

This component should:

* determine your organisations current procurement capability (i.e. identify where your organisation is now, where the gaps are, and what actions are needed to fill those gaps) in relation to social procurement. As part of this analysis, complete a Social Procurement Capability Assessment template
* outline how your organisation will develop its social procurement capability (e.g. by incorporating an action plan that includes priority action items, accountabilities and timeframes)

Where relevant, reference your organisation’s capability assessment and capability development plan to ensure alignment and avoid duplication.

If developing your organisation’s first Social Procurement Strategy, it is recommended that you focus on:

* key changes to procurement systems, policies and processes to ensure compliance with Social Procurement Framework requirements (including, for example, identifying social procurement practices and considerations that are appropriate in different types of procurement activities)
* targeted awareness and training programs for staff and key stakeholders (e.g. procurement teams, project managers, senior management and the broader group of government buyers)
* provision of access to expertise and resources, as required.

**Supplier engagement plan**

A comprehensive supplier engagement plan documents the systems, processes and communication approaches that promote the highest levels of trust and accountability in your organisation’s dealings with its suppliers. For example, it would cover issues in relation to keeping the market informed about supply opportunities, managing supplier relations during the procurement process, and managing complaints and supplier debriefs.

In many organisations, supplier engagement systems, processes and approaches may not be recorded in a standalone document. Supplier engagement may also relate to specific types of procurement or individual procurement activities, rather than your organisation’s procurement profile.

Effective supplier engagement practices ensure that Government provides timely and accurate information to the market and is critical to maintaining trust in government procurement and supporting supplier participation in the government procurement marketplace.

This component should:

* undertake a gap analysis (i.e. identify where your organisation is now, where the gaps are, and what actions are needed to fill those gaps) in relation to supplier engagement
* outline how your organisation will engage with suppliers and the market in relation to social procurement (e.g. by incorporating an action plan that includes priority action items, accountabilities and timeframes)

Where relevant, reference your organisation’s supplier engagement plan to ensure alignment and avoid duplication.

If developing your organisation’s first Social Procurement Strategy, it is recommended that your focus on:

* targeted communication to suppliers on expectations and opportunities in relation to social procurement
* targeted awareness sessions for key suppliers and access to training programs, as required
* proposed supplier development activities (including, for example, engagement with social benefit suppliers).

**Reporting and management framework**

From 1 July 2024, organisations are not required to use the [Victorian Management Centre](https://icnvic.force.com/s/login/?ec=302&startURL=%2Fs%2F) (VMC) for social procurement reporting purposes. Your organisation may choose to continue using this platform or use alternative systems or processes to support social procurement reporting.

This component should, at a minimum, outline the method and tools (e.g. resourcing, systems, policies, processes etc) that will enable your organisation to:

* monitor progress toward acquitting components of the Social Procurement Strategy, including any organisational targets in relation to social and sustainable outcomes and action items in its capability development plan and supplier engagement plan;
* reporting on achievements against the Social Procurement Strategy; and
* collect and analyse data to monitor and report on supplier performance (including any metrics against which progress toward social procurement commitments will be measured), including for the purpose of annual reporting against the Social Procurement Framework.

Your organisation is also encouraged to undertake a ‘lessons learned’ process in relation to these areas, with a view to continuous improvement.

**Annexures**

This component should be used to attach detailed information and materials that are referenced in, or directly relevant to, the Social Procurement Strategy. For example, your organisation may wish to attach an executive summary of its business strategy or reports relating to spend analyses or complexity assessments.

### SIGNATURE:

**Signed by Accountable Officer / delegate:** ............................................... Date ........................

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